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Attacking Poverty

Building Solidarity

Creating Jobs

Employment and the Environment

In the last twenty years, the environmental agenda has become broader in scope, more stringent in allowable emissions targets, more efficient in design and more dynamic by way of economic, investment and employment opportunities. Despite the economic recession which affected the global economy, the commitment of the public and their Governments in both developing and developed countries to environmental protection has not wavered. One tangible reflection of that commitment is the growing economic clout of the environmental sector. A growing number of people are directly employed in the delivery of environmental foods and services, while substantial investment continues to be directed towards environmental protection.

Building Sustainable Development

Each year, science sounds the alarm on a growing list of environmental threats, a list as ominous and diverse as climate change and global warming; the depletion of the Earth's ozone layer; the devastating loss of biodiversity; the depletion of fisheries, forests and productive topsoils; the proliferation of hazardous and toxic wastes; and the proliferation of air, water and other pollution. Despite hard-won gains in specific areas — such as urban air quality in most developed countries—the state and fate of the planetary environment continue to worsen.

In response, an important breakthrough is being made not only in the development of increasingly sophisticated environmental strategies, but also in our underlying perception of environmental issues. When first introduced in the early 1970s, environmental regulations were viewed largely as a necessary but unwelcome public policy objective, imposed by regulators to meet the public's demand for higher environmental quality. Certainly, public demand for tougher action has not wavered, and has grown stronger, in the last twenty years.

However, what is changing is how the relationship between economic and environmental policies is viewed. The dichotomy whereby environmental goals were seen as opposed to core economic priorities is slowly being cast aside, as a false dichotomy. One example: a growing number of companies are reaping economic paybacks by introducing waste reduction, waste minimization, cleaner production, and other strategies intended to avoid environmental pollution before it occurs. A well-known example is that of the "Pollution Prevention Pays" policy of the 3M corporation. Since 1975, more stringent environmental goals have translated into an estimated $550 million in savings to the company. Similar gains, linked with environmental performance, have taken place in operations as diverse as a cement company in Indonesia, a metal treatment factory in Singapore, a cotton factory in India and a lamp manufacturing operation in Poland.

The paybacks of waste reduction are just one facet of a shift in how the relationship between economic and environmental goals is being viewed. Instead of viewing higher environmental performance as acting as a counter weight to profitability, there is a growing recognition that higher environmental standards can have positive economic benefits, by way of advantages in innovation, efficiency, front-runner advantages, and economic spin-offs.

Another indication in the slow end of the economy-versus-environmental dichotomy lies in the increasing importance of environmental considerations in such core economic policies as international trade, national and international fiscal policies, national income accounting and economic valuation. This integration is urgently needed, for unless the underlying economic causes of environmental degradation are addressed, piecemeal remedial actions, however well intentioned, are not enough to safeguard the environment.

UNITED NATIONS

Accordingly, a new framework for action has taken shape and continues to be elaborated, based on the simple premise that ecological priorities must be integrated in how economic decisions—affecting agriculture, energy, transport, consumption and the thousands of other economic policies— are made. This framework is called *sustainable development*. It represents a call to action, based on a real coalition of developing and developed countries, industry, non-governmental organizations, academics and the public. It requires that current development objectives address with equity the needs of today, including first and foremost poverty and underdevelopment, without compromising the ability of future generations to meet their needs.

In June 1992, over 150 Governments met under the banner of the "Earth Summit" in Rio de Janeiro. Together, they endorsed the overall goal of sustainable development, and its elaboration in the Rio Declaration, Agenda 21 and the Forestry Principles. Translating those commitments into action remains, two years after UNCED, an enormous challenge, not because we do not know how to proceed, or where to begin, but rather because sustainable development is ultimately about change — change in the economic status quo, change in North-South relations, change in technological transfer and international cooperation strategies.

Employment, Investment and the Environment

One area where real change is taking shape is in the creation of high-growth and dynamic employment and investment opportunities linked to environmental protection. Rather than viewing environmental protection as a drag on employment and productivity, there is a growing recognition that not only is sound environmental management good business; it is also big business. Although precise estimates are difficult, below are some indication of economic opportunities related to the environment :

- According to a recent private sectoral forecast, the value of environmental activities— including pollution abatement, waste management, cleaner production and the delivery of other environmental technologies and related services — is expected to exceed $320 billion per year by the year 2000, and $570 billion by the year 2010. Some estimates suggest that more than 20 per cent of total environmental expenditures are poised to take place in transitional and developing economy countries.
- Expenditures in the United States alone to meet environmental regulations between 1970 and 1993 are estimated at $1 trillion. By the year 2000, United States expenditures to meet current regulations are forecast to exceed $160 billion per year.
- In Germany, an estimated 750,000 people are directly employed in environmental products, services and protection. In Canada, an estimated 4,500 small-, medium- and large-scale companies, employing an estimated 150,000 people, are involved in the so-called "environmental sector".
- The market for environmental services in Western Europe was estimated in 1992 to exceed $94 billion. Growth forecasts for the European environmental sector are approximately 7 per cent per year. Currently, some 16,000 companies directly involved in environmental products and services operate in Europe.

One barometer of the new opportunities linked to continued emphasis on environmental protection is the emergence of the so-called "green investment fund". To date, in Europe alone, over 70 environmental investment funds have been established, with an estimated value of $1 billion. Although modest in relation to overall investment amounts, green funds continue to outpace mainstream investment funds: some forecasts show projected growth of 15 per cent per year, over the next few years, in green funds.

Every indication suggests that such expenditures will continue to increase. A recent international public survey of 24 developing, transitional and developed economies found that a strong majority of the public voiced a strong concern about environmental quality, and a willingness to pay higher consumer prices for goods and services which helped protect the environment. One response of higher consumer demand: to date, some 25 countries — from Singapore and Brazil to Thailand and Canada—have introduced or are well along in the development of national "eco-labelling" schemes, intended to provide the public with consumer information on so-called "environmentally friendly" products.

The UN and the Environment

In addition to the major UN-sponsored international conferences—the latest of which was the above-mentioned United Nations Conference on Environment and Development—some UN bodies work exclusively on environmental issues. One is the UN Environment Programme (UNEP) which, for almost 20 years, has worked closely with the private sector, business associations, NGOs and others to promote sound environmental management strategies. More recently, UNEP has begun research and technical cooperation in addressing a wide range of environmental economics issues, including market-based instruments, trade and the environment, technology transfer and other issues.

For further reading:

- Robert Repetto, "Trade and Sustainable Development", UNEP Environment and Trade Series, No. 1, 1994.
- Stephan Schmidheiny, "Changing Course," Business Council for Sustainable Development, 1992.
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